

Message Text

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PAGE 01 TEHRAN 05438 01 OF 02 071226Z
ACTION SS-25

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TO SECSTATE WASHDC IMMEDIATE 8770

C O N F I D E N T I A L SECTION 1 OF 2 TEHRAN 5438

EXDIS

EO 11652: GDS
TAGS: PFOR, MNUC, ENRG, IR
SUBJ: US-IRAN NUCLEAR COOPERATION AGREEMENT: REPORCESSING

SUMMARY: GOI REJECTED "TIME FRAME" IN REPROCESSING PARAGRAPH
BUT ETEMAD PRESENTED NEW APPROACH TO THIS ISSUE WHICH MAY BE
PROMISING. END SUMMARY.

1. FOLLOWING RECENT MEETING WITH MANZOOR, DURING WHICH HE
INFORMED US THAT GOI COULD NOT ACCEPT "TIME FRAME"
LIMITATIONS, DCM HAD APPOINTMENT WITH DR. ETEMAD ON JUNE 4.
DCM EXPRESSED OUR SEVERE DISAPPOINTMENT THAT GOI APPEARED TO
REJECT "TIME FRAME" CONDITION OUT OF HAND; WE HAD EXPECTED
MORE SERIOUS EXCHANGE ON THIS ISSUE. DCM NOTED THAT US HAD
ACCEPTED MFN LANGUAGE AS PROPOSED BY IRANIANS AS WELL AS THE
PLUTONIUM DISPOSITION CLAUSE, BUT ON THE THIRD STICKING POINT
HAD RECEIVED AN ABRUPT "WE CANNOT ACCEPT." HE THEN REVIEWED
AT CONSIDERABLE LENGTH PARAGRAPHS A, B, AND C, AND THE
SUBSEQUENT EXPLANATORY PARAGRAPH AND EMPHASIZED THAT
IRAN'S PRACTICAL NEEDS WERE MET.

2. WITH RESPECT TO REPROCESSING PARAGRAPH WE STRESSED
THAT US WAS UNABLE TO GIVE IRAN AN OPEN-ENDED
COMMITMENT ON REPROCESSING IN THE EVENT THAT INDIVIDUAL
EXCEPTIONS, UNDER SPECIAL CIRCUMSTANCES, WERE MADE BY
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PAGE 02 TEHRAN 05438 01 OF 02 071226Z

THE US BETWEEN NOW AND THE TIME IRAN MAY NEED TO DISPOSE
OF ITS SPENT FUEL. AFTER SOME THOUGHT, ETEMAD STATED
THAT DISPOSITION OF SPENT FUEL HAD BASICALLY TWO ASPECTS:
(1) GETTING RID OF THE MATERIAL BECAUSE OF STORAGE
PROBLEMS; AND (2) REUSING THAT PORTION OF THE SPENT FUEL,
WHICH COULD BE RECYCLED BACK INTO THE FUEL RODS IF THAT
BECAME ECONOMICALLY DESIRABLE. HE THEN AGREED THAT

PARAGRAPHS A, B, AND C AND NEXT PARAGRAPH TOOK ADEQUATE CARE OF IRAN'S FIRST CONCERN. HOWEVER, AT THIS STAGE OF IRAN'S NUCLEAR DEVELOPMENT, HE HAD TO ESTABLISH AS DEGREE OF PREDICTABILITY OF FUEL SUPPLY FOR THE LONG-TERM FUTURE. IRAN SIMPLY COULD NOT DENY ITSELF THE POSSIBILITY OF HAVING ACCESS TO THE REUSABLE PORTION OF THE SPENT FUEL. THE EXTENT OF THE WORLD AVAILABILITY OF URANIUM WAS NOT KNOWN AND BREEDER REACTORS MAY PROVE TO BE NECESSARY AT SOME FUTURE TIME. IN RESPONSE TO OUR QUESTION, ETEMAD SAID THAT THE FRENCH AND GERMAN AGREEMENTS WERE NOT SPECIFIC ON REPROCESSING AND LEFT THE QUESTION SOMEWHAT OPEN. HOWEVER, HE WAS CONFIDENT, IN VIEW OF THE DESIRE OF THOSE COUNTRIES TO COOPERATE WITH IRAN ON THE ENTIRE FUEL CYCLE, THAT MATTERS COULD BE WORKED OUT WHEN THIS WAS NECESSARY. IN CONTRAST, US LEGISLATION AND PRACTICE REQUIRED THAT EVERYTHING BE DEFINED PRECISELY AT THIS TIME AND THAT WAS WHY IRAN NEEDED TO BE ABSOLUTELY CERTAIN IT IS NOT DENIED ACCESS TO REPROCESSING ON EQUIVALENT TERMS WITH OTHER COUNTRIES.

3. HE THEN AGREED THAT THE US COULD NOT COMMIT ITSELF TO PERMIT IRAN TO REPROCESS IN THE EVENT THAT THE US HAD ONLY MADE SPECIAL EXCEPTIONS UNDER SPTQW ILBDBOZSTANCES FOR REPROCESSING BY OTHER COUNTRIES. WHAT IRAN WANTED, HE SAID, WAS ASSURANCE THAT, IF THE US AGREED TO "THE CONFIDENTIAL

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PAGE 03 TEHRAN 05438 01 OF 02 071226Z

COMMERCIAL UTILIZATION" OF REPROCESSING TECHNOLOGY TO OTHERS, THEN IRAN SHOULD ALSO HAVE THE SAME RIGHTS. IN EFFECT, IF THE US PERMITS THE RECYCLING OF PLUTONIUM INTO NEW FUEL RODS FOR COMMERCIAL USE BY OTHERS, THEN IRAN SHOULD HAVE THAT RIGHT TOO. IRAN SHOULD NOT BE DISADVANTAGED BECAUSE IT IS A LATE ENTRY INTO THE NUCLEAR POWER FIELD.

4. SINCE THIS APPROACH SEEMED TO BE A MORE PROMISING ONE THAN ANYTHING WE HAVE RECEIVED PREVIOUSLY FROM THE IRANIANS, DCM ASKED ETEMAD TO PUT THIS CONCEPT INTO WRITING. ON MORNING OF JUNE 5 MANZOOR PRESENTED US

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PAGE 01 TEHRAN 05438 02 OF 02 071236Z
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C O N F I D E N T I A L SECTION 2 OF 2 TEHRAN 5438

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FOLLOWING LANGUAGE: QUOTE NOTWITHSTANDING THE PREVIOUS PARAGRAPHS, WHEN THE NEED ARISES FOR IRAN TO ARRANGE FOR DISPOSITION OF ITS SPENT FUEL, IF THE UNITED STATES HAS, SUBSEQUENT TO THE DATE OF ENTRY INTO FORCE OF THIS AGREEMENT, APPROVED THE REPROCESSING OF ANY OTHER COOPERATING STATE'S SPENT FUEL TO ACCOMMODATE THAT STATE'S FUEL CYCLE MANAGEMENT, THE UNITED STATES WOULD APPROVE REPROCESSING OF IRANIAN SPENT FUEL IN THE UNITED KINGDOM OR FRANCE, OR ANOTHER MUTUALLY AGREED STATE UNDER ARRANGEMENTS WHICH AFFORD IRAN BENEFITS COMPARABLE TO THOSE AFFORDED SUCH OTHER STATE AND UNDER TERMS AND CONDITIONS NO LESS FAVORABLE THAN THOSE APPLICABLE TO SUCH OTHER STATE UNQUOTE. THIS LANGUAGE IS NOT AS PRECISE OR LIMITED AS ETAMED INDICATED ORALLY, BUT MANZOOR EXPLAINED THAT LANGUAGE WAS INTENDED TO GIVE IRAN COMPARABLE COMMERCIAL FUEL CYCLE BENEFITS-NOTHING MORE.

5. COMMENT: MANZOOR'S LANGUAGE IS CLEARLY UNACCEPTABLE. HOWEVER, ETEMAD'S STATEMENTS SEEM TO OFFER SOME WAY TO BRIDGE THE CURRENT IMPASSE. I AM FULLY CONSCIOUS OF PROBLEM WASHINGTON AGENCIES FACE IN SATISFYING CONGRESS THAT NO "BLANK CHECKS" FOR REPROCESSING ARE BEING SIGNED. I ALSO REALIZE THAT THIS AGREEMENT WITH IRAN, WHICH SHOULD BE THE FIRST UNDER THE NEW LEGISLATION, WILL BE SCRUTINIZED
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PAGE 02 TEHRAN 05438 02 OF 02 071236Z

AS A MODEL FOR OTHER SUBSEQUENT BILATERALS.

6. HOWEVER, WASHINGTON ARGUMENTATION IN PRESENTING THE "SAME TIME FRAME" FORMULATION IS CLEARLY DEFECTIVE. WE CAN NOT REPEAT NOT CONTEND THAT, BY QUALIFYING OUR AGREEMENT IN TERMS OF TIME FRAMES, WE ARE TRULY PROVIDING MOST FAVORED NATION TREATMENT. WE CAN, HOWEVER, PRESERVE THE INTEGRITY OF THE PRESIDENT'S ASSURANCE TO THE SHAH AND, AT THE SAME TIME, ASSURE THAAT,

ON THIRD COUNTRY REPROCESSING, OUR "APPROVAL OF REPROCESSING IS GEARED TO THE PARTICULAR CIRCUMSTANCES OF THE CASE IN QUESTION," IF WE RELATE THE ISSUE OF OUR APPROVAL TO THE CIRCUMSTANCES INVOLVED RATHER THAN THE TIME FRAME.

7. ACCORDINGLY, I HAVE PREPARED THE FOLLOWING LANGUAGE WHICH IS DESIGNED TO BUILD UPON ETEMAD'S CONCEPT AND TO PRESERVE US INTEGRITY IN THIS MATTER. "NOTWITHSTANDING THE PREVIOUS PARAGRAPHS, WHEN THE NEED ARISES FOR IRAN TO ARRANGE FOR DISPOSITION OF ITS SPENT FUEL, IF THERE ARE ANY CIRCUMSTANCES UNDER WHICH THE UNITED STATES HAS APPROVED THE REPROCESSING OF ANY OTHER COOPERATING STATE'S SPENT FUEL TO ACCOMMODATE THAT STATE'S FUEL CYCLE MANAGEMENT, AND IF THE PARTIES SHOULD FIND IRAN'S NUCLEAR ENERGY PROGRAM TO BE IN COMPARABLE CIRCUMSTANCES, THE UNITED STATES WOULD APPROVE REPROCESSING OF IRANIAN SPENT FUEL IN THE UNITED KINGDOM OR FRANCE OF OTHER MUTUALLY AGREED STATE UNDER ARRANGEMENTS WHICH AFFORD IRAN BENEFITS COMPARABLE TO THOSE AFFORDED SUCH OTHER STATE AND UNDER TERMS AND CONDITIONS NO LESS FAVORABLE THAN THOSE APPLICABLE TO SUCH OTHER STATES."

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PAGE 03 TEHRAN 05438 02 OF 02 071236Z

8. IT SEEMS TO ME THAT ETEMAD HAS INDEPENDENTLY MOVED TOWARDS THE CONCEPT IN THE ABOVE PARAGRAPH BY TRYING TO TIE IRANIAN REPROCESSING TO SIMILAR OR SAME CIRCUMSTANCES. THIS APPROACH, IN MY VIEW, MOVES US IN THE RIGHT DIRECTION. THE IRANIANS NOW AGREE THAT WE MAY FACE UNUSUAL SITUATIONS WHERE REPROCESSING IS REQUIRED AND THAT OUR ACTIONS IN SUCH CIRCUMSTANCES DO NOT OBLIGATE US TO PERMIT IRANIAN REPROCESSING. HOWEVER, IF SUCH REPROCESSING GIVES COMMERCIAL BENEFIT, IRAN WANTS THESE BENEFITS TOO. THIS CONCEPT IS CONSISTENT WITH THE PRESIDENT'S MFN COMMITMENT TO IRAN. I WILL BE DEPARTING ON LEAVE JUNE 16 AND WOULD LIKE THE DEPARTMENT'S REACTION SOONEST.

9. SEPTEL FOLLOWS ON RETRANSFER QUESTIONS.
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